

## Health Care

Few issues touch all of our lives more closely or cause us more anxiety than health care. While Americans receive some of the best health care in the world, our system still has some severe flaws that deserve immediate solutions. The increasing cost of health care and health insurance premiums, the rising number of people who have limited coverage or lack coverage entirely, and the relatively limited resources dedicated to medical research and advancements mean that too many people are not receiving the care they need. Universal insurance coverage should be a national priority so that every American can receive the care and services needed.

As a member of the House Subcommittee on Health, and the Representative of the region that produces so many health care research advances, Rep. Eshoo is absolutely committed to improving health care for all Americans.

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### Medicare

Medicare is a federal health insurance program that extends health coverage to almost all Americans aged 65 or older, as well as disabled Americans of any age. Medicare services are provided in four parts:

- Part A, the Hospital Insurance program, pays for inpatient hospital, skilled nursing facility, and hospice care.
- Part B, Supplementary Medical Insurance, pays for physician, outpatient, and preventive services.

- Part C refers to private Medicare Advantage plans, such as HMOs, that provide Part A and B benefits to enrollees.

- Part

D is the outpatient prescription drug benefit that began in January 2006 and is funded by general revenues, beneficiary premiums, and state payments.

## The New Medicare Prescription Drug Program (Part D)

### Prescription

drugs are a major part of increasing health care costs. For millions of Americans, especially senior citizens on fixed incomes, medications are difficult to afford. It's estimated that American seniors will spend close to \$2 trillion dollars on prescription drugs over the next ten years.

The recently-implemented Medicare Part D prescription drug program is confusing, costly, and ineffective. Rep. Eshoo voted against the legislation that put this program in place, the Medicare Modernization Act of 2003, because the legislation does nothing to ease the burden of high prescription drug cost for seniors. Instead, this legislation includes language expressly forbidding the Secretary of Health and Human Services (HHS) from negotiating with drug companies to reduce the price of drugs for Medicare beneficiaries.

Rep. Eshoo is committed to fixing this program so that seniors will get the benefits they deserve. She is an original cosponsor of H.R. 376, the Medicare's Equitable Drugs for Seniors Act of 2005, which gives the Secretary of HHS explicit authority to negotiate lower pharmaceutical prices on behalf of Medicare beneficiaries, allowing seniors to utilize their market power to benefit from lower prices.

Are you a Medicare Part D beneficiary? Read Rep. Eshoo's guide to making the most of the new Medicare prescription drug program.

## Medicaid

### Medicaid

is one of our nation's most important health care insurance programs for low-income and disabled Americans. It covers hospital, physician, clinic, nursing home, prescription drug, and other basic and long-term health care services for 50 million people, and half of all Medicaid beneficiaries -- over 25 million -- are children. Medicaid is financed and operated jointly by the states and federal government and accounts

for approximately one fifth of the nation's health care spending and nearly half of all spending on long term care. As the largest source of federal support to the states, Medicaid is also a major engine in state economies, supporting millions of jobs across the country.

In 2000, Rep. Eshoo introduced the Breast Cancer and Cervical Treatment Act, which allows states to use Medicaid dollars to provide health treatment coverage for low-income women diagnosed with breast or cervical cancer. Before enactment of this law, Medicaid only provided coverage for the diagnosis but not treatment of these deadly cancers. The law enjoyed overwhelming bipartisan support, and to date, all 50 states and the District of Columbia have used it to offer treatment for women who do not have private insurance coverage.

In October of 2005, this coverage was slated for elimination amid massive Medicaid cuts, but Rep. Eshoo fought for an amendment and successfully saved this coverage for breast and cervical cancer treatment.

On November 18, 2005, Rep. Eshoo voted against H.R. 4241, the Budget Reconciliation Bill for fiscal year 2006. The bill cut \$49.9 billion from public programs, including approximately \$11.8 billion from Medicaid. The majority of cuts to the programs fall upon the beneficiaries through increased cost-sharing for low-income individuals, including the elderly with chronic diseases and those with disabilities, and restricted transfer of assets by seniors that could disqualify them from nursing home care.

## Health Care Access and Affordability

The United States currently has 45 million uninsured individuals, almost 6.5 million of whom live in California. Many of these individuals cannot afford to purchase private health insurance due to annual double-digit premium increases. Spiraling health insurance costs also burden small businesses and employers, which are increasingly unable to offer health insurance benefits, and many companies that are able to provide benefits find it necessary to pass more and more of the costs to their employees. In 2004, two-thirds of companies with 200 or more employees responded to increasing costs by requiring their employees to pay more for their own coverage and dropping coverage for some services. For those who are self-employed the challenge is even greater. Many self-employed individuals are finding health insurance costs increasing 25-30 percent annually.

Rep. Eshoo supports creating state and national multi-insurer pools to provide comprehensive and affordable health insurance choices to small

employers and the self-employed. Rep. Eshoo is an original cosponsor of H.R. 2073, the Small Business Health Promotion Act, which will create these state and national multi-insurer pools, as well as help small businesses afford health insurance for employees through a 50 percent tax credit to help defray the costs.

Rep. Eshoo

believes that allowing uninsured individuals to buy into existing health insurance programs will make health care more affordable for everyone. She supports broader access to insurance plans available to federal employees under the Federal Employees Health Benefits Plan. Large employers would be able to join the plan as their source of coverage for their employees, provided that the employer works with insurers to offer disease management. Rep. Eshoo also supports federal government rebates of up to three-fourths of an employer's catastrophic health claim costs, provided the employer works with insurers offering disease management as a condition of accessing the federal catastrophic health program.

## Medical Research

The

federal government plays a key role in funding the basic research that often leads to the development of treatments for diseases and conditions that threaten lives and the quality of life. Americans live in a time of extraordinary and historic opportunity in medical research, and Rep. Eshoo believes that government needs to lend substantial support to research institutions, hospitals and education systems so they can forge a path to revolutionary treatments, disease management and, hopefully, cures.

Rep. Eshoo has long been a strong supporter of efforts to increase the budget of the National Institutes of Health (NIH) so that the NIH has adequate resources to engage in research.

For more information about Rep. Eshoo's commitment to research funding, read about the Democrats' Innovation Agenda.

## Stem Cell Research

Embryonic

stem cells have the ability to develop into virtually any cell in the body and provide a unique opportunity to test new drugs and create new treatments. According to the National Institutes of Health (NIH), stem cells "offer the possibility of a renewable source of replacement cells and tissues to treat diseases including Parkinson's and Alzheimer's diseases, spinal cord injury, stroke, burns, heart disease, diabetes,

osteoarthritis, and rheumatoid arthritis."

In August 2001, President Bush announced that federal funds used to support research on human embryonic stem cells would be limited to existing stem cell lines. The NIH's Human Embryonic Stem Cell Registry lists 78 stem cell lines that are eligible for use in federally funded research, however, only 22 embryonic stem cell lines are currently available. Scientists are concerned about the quality, and longevity of these stem cell lines. For a variety of reasons, many believe research advancement requires new embryonic stem cell lines.

In November 2004, Californians overwhelmingly approved Proposition 71, paving the way for a 10-year project that makes the state a global leader in stem cell research. Under the \$3 billion ballot initiative, California researchers are eligible for \$295 million a year in grants to work on cell colonies -- or lines -- taken from human embryos. Rep. Eshoo is an original cosponsor of H.R. 810, the Stem Cell Research Enhancement Act of 2005, which allows federal support of research that utilizes human embryonic stem cells regardless of the date on which the stem cells were derived from a human embryo. This bill also ensures that this research will be conducted according to strict ethical standard set by the NIH. On May 24, 2005, the House passed this legislation 238 to 194, and it is currently under consideration in the Senate.

Rep. Eshoo is also an original cosponsor of H.R. 2520, the Stem Cell Therapeutic and Research Act of 2005, which became law on December 20, 2005. It allows for the voluntary collection and maintenance of human cord blood stem cells for the treatment of patients and for research. Cord blood is the blood that remains in the umbilical cord and placenta following birth and after the cord is cut. Cord blood is routinely discarded with the placenta and umbilical cord. Umbilical cord blood is a valuable source of stem cells, which are genetically unique to each baby and family.

## Drug Safety

Recently, concerns have been raised about the ability of the Food and Drug Administration (FDA) to ensure the safety of drugs sold to American consumers. Lack of funding, bureaucracy, and poor management have clouded the ability of the FDA to assess the risks of drugs once they're on the market and take action when a risk is identified.

Rep.

Eshoo believes that while the FDA must continue to approve new life-saving and life-enhancing drugs as efficiently as possible, this must not compromise safety. During House Energy and Commerce Committee hearings, Rep. Eshoo has argued that there is a clear need for post-marketing monitoring and the need to study the comparative effectiveness of medications. This will ensure the use of the most appropriate and safe treatment for specific conditions. The information from comparative effectiveness studies will assist physicians and patients in selecting the best treatment and help reduce inappropriate uses of treatments that pose unnecessary safety risks to patients.

In 2001 Rep. Eshoo authored H.R. 2887, the Best Pharmaceuticals for Children Act, which requires that pharmaceutical products be evaluated for safety and effectiveness in children. The bill also requires that drug labels contain this information. This legislation became public law in January of 2002.

### Influenza Pandemic (Avian Flu)

At present the U.S. is unprepared for an avian influenza pandemic. Without federal and state preparation, the Centers for Disease Control and Prevention (CDC) estimates that a flu outbreak could kill more than 200,000 Americans and cost over \$166 billion.

The avian influenza, also commonly referred to the bird flu, is a virus that occurs naturally among birds. Wild birds worldwide carry the viruses in their intestines but usually do not get sick from them. However, bird flu is very contagious and often deadly among domesticated birds, including chickens, ducks, and turkeys.

Since late December 2003 there have been scores of human cases of avian flu, many of them fatal. The virus currently lacks the capacity to be easily transmitted from person to person, which would be required in order to trigger a pandemic. Experts fear, however, it could acquire the necessary genetic changes in order to pass from person to person. It has already affected populations in Southeast Asia, China, Russia, and now Eastern Europe.

### Related Resources:

- National Strategy for Pandemic Influenza
- Centers for Disease Control and Prevention

## - California Influenza Pandemic Response Plan

### Health Information Technology (HIT)

We live in the Information Age, but health care, one of the most information-intensive fields, remains mired in a pen-and-paper past. We can buy plane tickets online, make financial transactions across oceans, and send pictures via email, yet the health care industry remains dangerously disconnected. Such an inefficient information system creates unnecessary risks and costs. Prescriptions are still being written on paper and patient records are still being stored in large files that can't be transferred easily from one health care provider to another.

The Institute of Medicine estimates that every year as many as 98,000 Americans die and many more are injured in hospitals from medical errors, many of which can be attributed to mistakes in paperwork. Research has shown that 30 percent of health care costs, or \$515 billion per year, come from duplicative services and procedures which add no value to clinical outcomes. These costs would be virtually eliminated or greatly reduced with the implementation of new technology. Patients deserve care from providers who are fully informed about their medical history, including past injuries, tests, diagnoses, and treatments. Patients should not have to undergo redundant tests or wait for results of telephone calls to their previous providers.

Health information technology (HIT) promises to revolutionize the health care delivery system and have a powerful effect on patient safety, medical errors, quality of care, and efficiency. Potential savings to the health care delivery system have been estimated as high as \$78 billion to \$140 billion a year.

Several obstacles have impeded the health care industry's adoption of information technology. A lack of common standards for products and software has hampered the development of interoperable networks that can share data. The lack of common product standards has also raised concerns about the ability to transmit patient information in a secure format to other health care providers.

Representative Eshoo has vigorously pursued the advancement of health information technology in her position on the House Energy and Commerce Subcommittee on Health. She organized the bipartisan 21st Century Health Care Caucus to

educate her colleagues about health care transformation issues and to promote policies that improve quality and patient safety. She also cosponsored H.R. 4157, the Health Information Technology Promotion Act of 2005, which will set national standards for electronic medical records.

#### Congress

has taken a number of important steps to promote HIT. The Medicare Modernization Act of 2003 instructed the Department of Health and Human Services to adopt electronic prescription standards and establish a Commission for Systemic Interoperability. The Commission is charged with developing a comprehensive strategy for implementing data and messaging standards to support the electronic exchange of clinical data.

#### In

April of 2004, President Bush called for the widespread adoption of interoperable electronic health records within 10 years and established the position of National Coordinator for Health Information Technology. Pursuant to the President's order, the National Coordinator has developed a strategic 10-year plan outlining steps to transform the delivery of health care by adopting electronic health records and developing a National Health Information Infrastructure to link such records nationwide.

#### Related Links:

- Health Information Management and System Society
- eHealth Initiative
- Connecting for Health
- American Health Information Management Association
- Office of the National Coordinator for Health IT
- Institute for Healthcare Improvement

#### Related Reports:

- RAND Research Brief: Health Information Technology: Can HIT Lower Costs and Improve Quality? (September 2005)
- MedPAC  
Report to Congress: Medicare Payment Policy, Chapter 4: "Strategies to improve care: Pay for performance and information technology" (March 2005)



## Genetic Discrimination

The sequencing of the human genetic code is widely recognized as one of the most significant scientific accomplishments in history, yet patients fear the potential for genetic discrimination by a variety of entities and institutions, including health and life insurance companies, health care providers, and adoption agencies. Patients also fear that their current or potential employers may use genetic information (such as a person's predisposition to health problems) to make employment decisions.

A recently-released study by Cogent Research found that 68 percent of Americans are concerned about the privacy of genetic information, and one-third would refuse a doctor-recommended genetic test because they feared discrimination by their employer or insurer.

This fear has deterred the public and science from taking full advantage of the important diagnostic opportunities genetic information provides. Fear of losing health coverage or a job is preventing individuals from utilizing this new technology. This fear is also impacting genetic clinical trials and threatening to place the U.S. biotechnology sector at a disadvantage against foreign competitors.

Several existing federal laws touch on the issues raised by the use of genetic information, but they do not adequately or comprehensively address the unique issues surrounding the specific use of genetic information in either insurance or employment settings. The ambiguity of current law has resulted in both actual and perceived acts of discrimination and has led to a lack of consistency in how the law deals with such grievances.

To address this serious problem, Rep. Eshoo has introduced legislation to allow Americans to benefit from the advances in genetics without unauthorized uses of personal information. H.R. 1227, the Genetic Information Nondiscrimination Act of 2005, prohibits improper use of genetic information for workforce and insurance decisions, and encourages both the public and scientific communities to take full advantage of important genetically-based health care advances.

Recognizing the importance of protections against genetic discrimination, 32 states have enacted genetic anti-discrimination in employment laws, and 48 states have passed laws pertaining to the use of genetic information in health

insurance. However, Rep. Eshoo believes that genetic privacy should not depend on where one lives or where treatment is given. The Human Genome Project and the extraordinary advances it represents should extend to every American. The enactment of genetic nondiscrimination legislation will accomplish this.